Government of Saskatchewan

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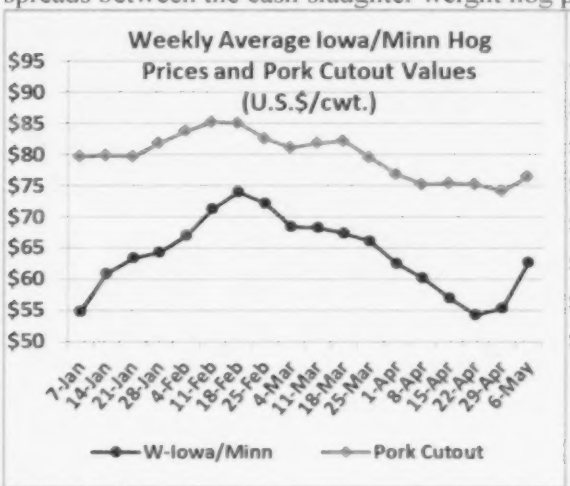
Weekly Hog Report

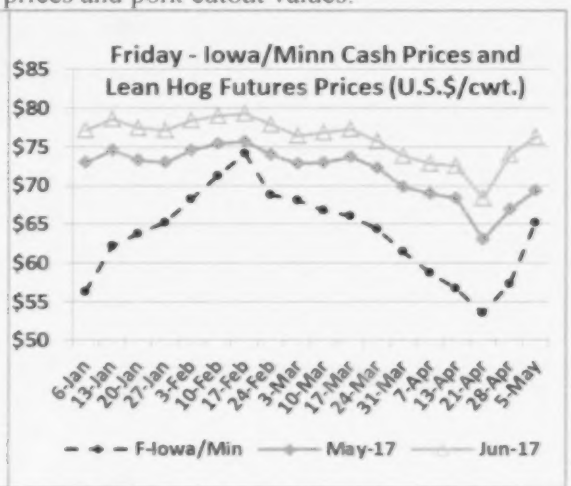
May 8, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) surged higher last week Hog prices on Friday May 5 averaged US$65.12 per cwt, up US$7.89 per cwt or 13.8 per cent from US$57.23 per cwt the previous Friday. The negotiated weekly base price last week averaged US$62.68 per cwt, up US$7.41 per cwt or 13.4 per cent from US$55.27 per cwt the previous week. Slaughter weight cash hog prices moved higher helped by large price spreads between the cash slaughter weight hog prices and pork cutout values.



Source: LMIC



Source: LMIC, CME

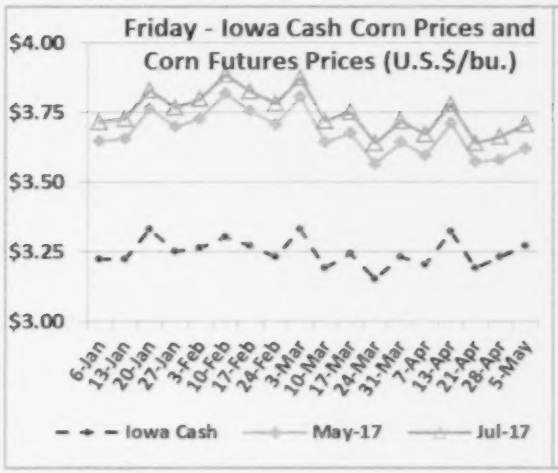
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday May 5, 2017 was $160.03 per ckg, up $15.50 per ckg or 10.7 per cent from $144.53 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $151.95 per ckg, up $9.54 per ckg or 6.7 per cent from the previous weeks' average price of $142.41 per ckg. The Canadian dollar edged overall lower last week on continued trade uncertainty between Canada and the United States to settle last Friday at 72.93 cents, down 0.33 cents from 73.26 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed but primarily higher last week to help futures prices move higher, week-over-week. The nearby May lean hog futures contract increased US$2.425 per cwt last week to settle Friday at US$69.400 per cwt; while the June lean hog futures contract increased US$2.325 per cwt to settle last Friday at US$76.325 per cwt. Higher pork cutout values over the week with increased pork demand helped futures prices move higher.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$30.88 per head, up US$3.50 per head or 12.8 per cent from US$27.38 per head the previous week. Feeders (40lb) averaged US$54.75 per head, down US$1.21 per head or 2.2 per cent from US$55.96 per head, the previous week.



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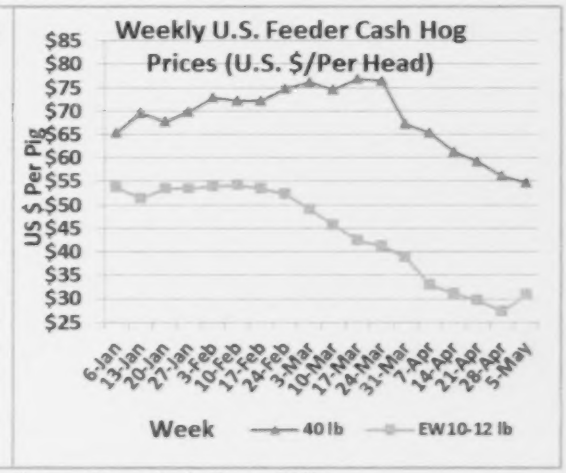


Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.27 per bushel, up four cents from US$3.23 per bushel the previous Friday. Corn futures edged higher, week-over-week. The May corn contract increased 3 ¾ cents to settle Friday at US$3.61 ¾ per bushel; while the July contract increased 4 ¼ cents to settle Friday at US$3.70 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 6 were estimated at 2.262 million head, down 1.2 per cent from 2.290 million head the previous week, but up 2.0 per cent from 2.217 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.269 million head, up 3.4 per cent from 2.195 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 29, 2017 were estimated at 417,212 head, up 4.3 per cent from 399,843 head the previous week, and up 3.0 per cent from 405,239 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 407,557 head, down 0.7 per cent from 410,593 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 7,176,513 head, up 1.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending April 29, 2017 averaged 167,137 head, down 0.9 per cent from 168,680 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 2,951,515 head in 2017, up 2.3 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending May 6, 2017 was estimated at 481.9 million lb., down 1.1 per cent from 487.4 million lb. the previous week, but up 1.8 per cent from 473.4 million lb. the same week a year ago. Pork production over the last four week's ending May 6 was estimated to average 483.4 million lb., up 3.1 per cent from 468.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 6 was estimated at 489.6 million lb., down 2.3 per cent from 501.2 million lb. the previous week, but up 2.9 per cent from 475.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 29, 2017, was estimated to average 2.080 billion lb., up 1.3 per cent from 2.053 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(April 29) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	465.8	486.3	4.4%	3.1%
Beef	462.0	478.9	3.7%	5.1%
Chicken	988.9	986.7	-0.2%	0.5%
Turkey	136.0	127.8	-6.0%	0.5%
Total	**2,052.6**	**2,079.7**	**1.32%**	**2.13%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending May 6, 2017 averaged US$76.37 per cwt, up US$2.39 per cwt or 3.2 per cent from US$73.98 per cwt the previous week, but down 7.7 per cent from US$82.71 per cwt from the same week a year ago.

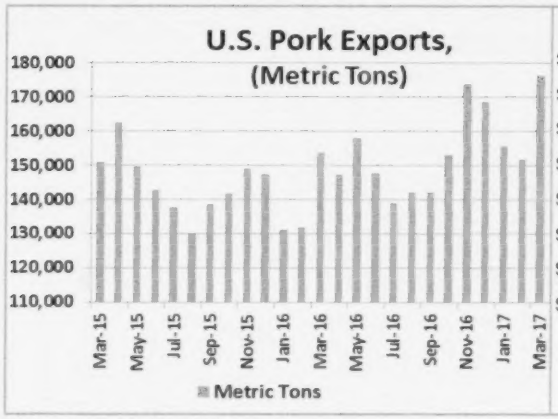
Choice beef cutout prices (600-900 lb.) for the week ending May 6, 2017 averaged US$232.55 per cwt, up US$12.99 per cwt or 5.9 per cent from US$219.56 per cwt the previous week, and up 13.0 per cent from US$205.72 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending May 6, 2017 averaged US$138.37 per cwt, up US$4.23 per cwt or 3.2 per cent from US$134.14 per cwt the previous week, and up 11.1 per cent from US$124.58 per cwt the same week a year ago.

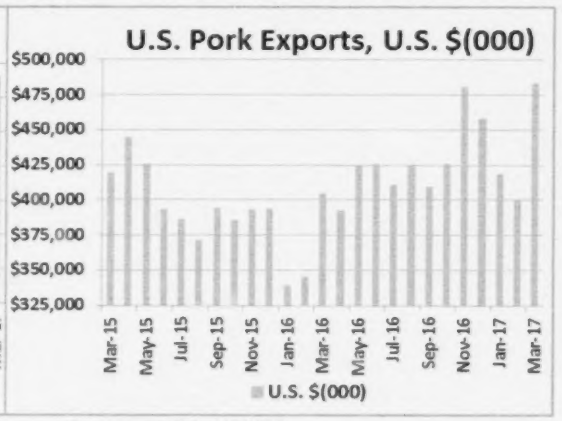
United States Pork Exports

United States pork exports for March 2017 were released last week and were strong. United States exported 176,567 metric tons of pork in March 2017, up 16.3 per cent from 151,795 metric tons in February 2017, and up 14.7 per cent from 153,904 metric tons in March 2016. U.S. pork exports by volume for March 2017 versus March 2016 were notably higher to Mexico (+39.3%) and South Korea (+33.1%); but lower to China/Hong Kong (-27.1%).

By dollar amount, U.S. pork exports in March 2017 were US$483.4 million dollars, up 20.7 per cent from US$400.4 million in February 2017, and up 19.5 per cent from US$404.6 million dollars in March 2016.



Source: USDA, USMEF



Source: USDA, USMEF

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